

ASX RELEASE

30 January 2015

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

- Aircore drilling complete at Nangalasso with 74 drill holes for 3,564m. Preliminary results due imminently
 - Intersections include:
 - 3m at 7.12g/t gold within 21m at 1.25g/t gold
 - 3m at 2.11g/t gold from 3m
 - 3m at 1.33g/t gold from 3m
 - 6m at 0.50g/t gold from 27m
 - Gold anomalous trend extending over 1.7km defined and coincident with strong geochemical anomalies
 - Widespread gold anomalism confirmed with over 25% of holes returning anomalous gold intersections in wide-spaced reconnaissance drilling
 - Drilling confirms and extends trench samples of 7m at 4.31g/t gold and highlights an extensive mineralised zone with quartz veining, alteration and high grade gold mineralisation
 - Drilling completed at Kambali prospect targeting extensive surface geochemical anomalies and active artisanal workings, preliminary results due in February 2015
 - Dabakala geochemical samples have defined numerous anomalous zones, including an extensive zone of 8,000m x 3,000m anomaly consistent with geological interpretation
 - High-priority area for follow-up and infill exploration
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Taruga Gold Limited (**Taruga** or the **Company**) is pleased to present its quarterly activities report for the December quarter. During the quarter, Taruga completed reconnaissance aircore drilling at the Nangalasso Project and the rig also completed drilling at the Kambali prospect subsequent to the quarter (**Figure 1**).

Results from the Nangalasso drilling were announced subsequent to the quarter and can be found in full in the announcement of 29 January 2015. The program was designed to test high-priority target areas within the Nangalasso Project, selected from previous reconnaissance drilling, trenching, and extensive artisanal workings. Widespread gold anomalism was encountered across the project and importantly has highlighted a gold anomalous trend extending for over 1.7km. This trend is open along strike and at depth with the only wide spaced reconnaissance drilling completed.

The intersection of **21m at 1.25g/t gold** confirms and extends the high-priority target where previous trenching (**7m at 4.3g/t gold** in quartz veining and alteration) and preliminary reconnaissance drilling (**1m at 7.8g/t gold**) had indicated a significant trend. This drilling has now defined the trend for a minimum of 1,700m and remains open along strike and at depth.

The presence of high-grade gold mineralisation within the broad mineralisation is very positive and Taruga is planning to continue this zone and particularly target continuity of the higher grade zones.

At the Sotian workings, Taruga completed a single line of aircore drilling targeting an extensive zone of artisanal workings. Highly encouraging intersections include **3m at 2.1g/t gold from 6m and 3m at 1.3g/t gold from 3m**. These results confirm the extension of the artisanal workings, and the geological logging of the drill holes indicates a potential bedrock source for the mineralisation. Taruga has identified the **1,000m x 700m** extensive area of artisanal workings and anomalous geochemical sampling, including assay values up to **18.0g/t gold, 3.6g/t gold and 3.54g/t gold**, as a high priority target requiring immediate follow-up and extension drilling.

The program consisted of 73 aircore drillholes for 3,564m (avg depth 49m, maximum depth 78m, minimum depth 10m) with the majority of holes reaching primary rock. The geology intersected by the drilling consisted of a sequence of sedimentary units and granitic to granodiorite intrusions, consistent with the trenching and field observations.

Preliminary geological logging of the drill holes had reported broad zones of quartz veining (veins up to 4m thick, zones of veining up to 20m width) associated with the areas of artisanal workings as well as zones of sulphide mineralisation (pyrite dominant) and alteration. All samples (three metre composite sampling) were dispatched to SGS Laboratories Bamako for assay.

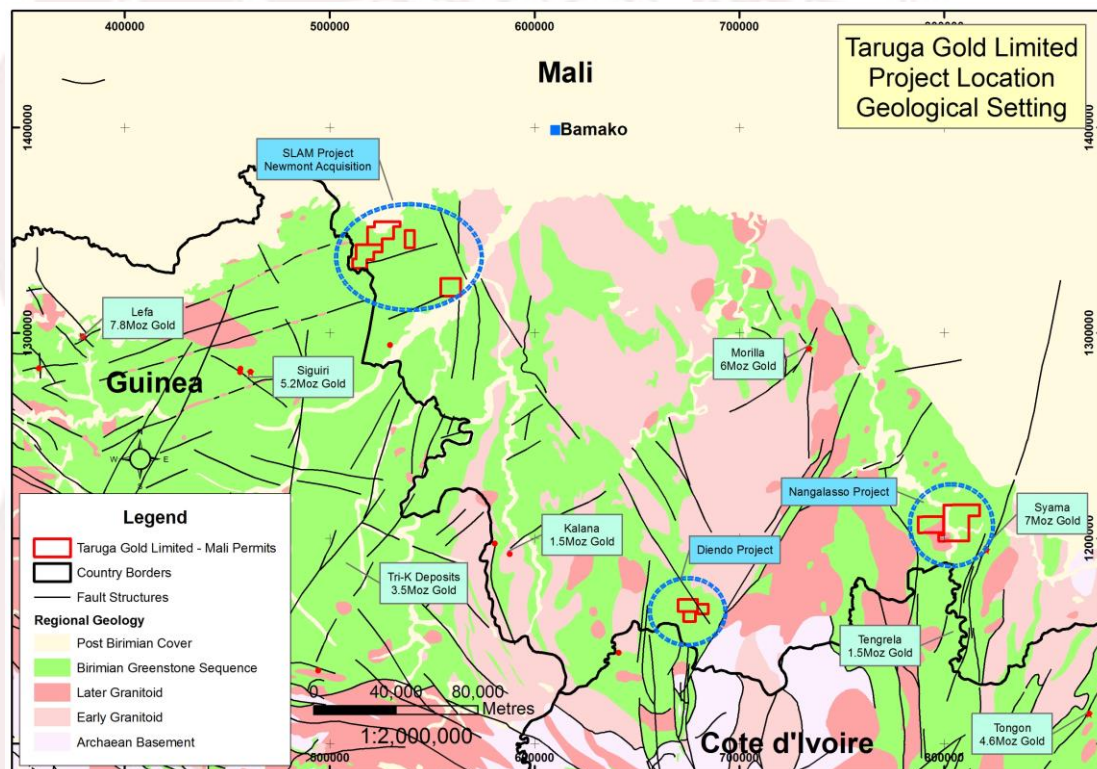


Figure 1 – Southern Mali Project Locations

SLAM Project Drill Program – Kambali Prospect

A drilling campaign to target areas of extensive artisanal workings and geochemical anomalism immediately followed the Nangalasso drilling. The Kambali prospect is located in south-eastern Mali, approximately 100km from the capital Bamako.

The drilling targets have been defined from geological reconnaissance and historic geochemical sampling completed by Newmont that defined strong geochemical anomalies with peak values exceeding 2g/t gold. Most recently field investigations by Taruga visited sites of artisanal workings and located major active sites with surface areas extending for over 800m strike length with over 250m width. The workings are characterised by vertical shafts to maximum depth of 15m, with gold mineralisation hosted in surface laterite material and in residual saprolite material (**Figure 3**).

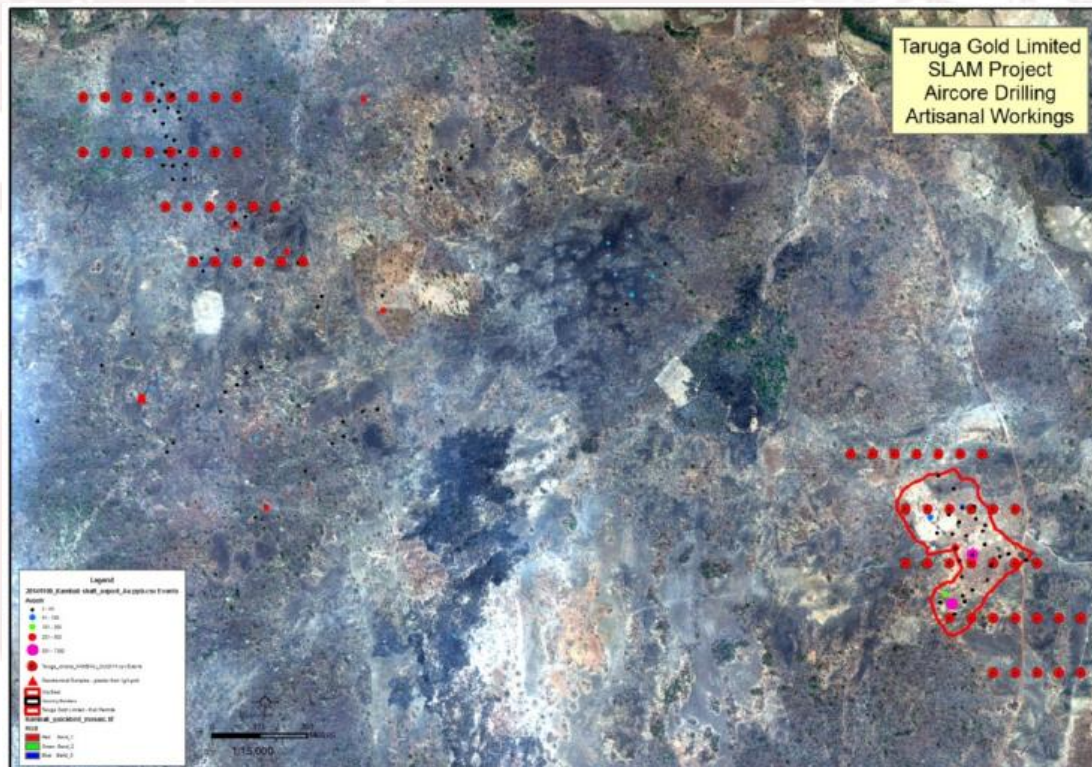


Figure 3 – SLAM Project – Kambali prospect location of artisanal workings and proposed drill holes

The Kambali workings are extensive surface and shallow shaft workings with coarse gold mineralisation observed. Taruga has undertaken a preliminary program of geochemical sampling where access is available, and anomalous gold results returned with a maximum of 7.38g/t gold returned from a surface sample of laterite material. These results were used to plan the drilling program.

It is anticipated that preliminary assay results from the Kambali drilling campaign will be available in the coming weeks and will be reported as soon as available.



COTE D'IVOIRE

Cote d'Ivoire Exploration Campaign

During the quarter, Taruga commenced a geochemical sampling campaign in Cote d'Ivoire to begin to prioritise the project areas and rapidly advance high-priority targets to drill ready status.

The program consists of a series of reconnaissance spaced and infill geochemical soil and stream sediment samples and will target areas of geological complexity, artisanal workings and historic gold anomalism.

The exploration campaign in Cote d'Ivoire is being supervised and implemented by Taruga's technical team with local support staff. The program took place throughout December and continues into the new year to complete first-pass regional exploration and infill of anomalous zones.

Taruga will continue the geochemical sampling campaign in Cote d'Ivoire for the field season with the aim of developing key prospect areas to drill status through infill geochemical sampling and trenching.

Dabakala Concession

At the Dabakala project in central Cote d'Ivoire, Taruga completed a large soil sampling program during the quarter (**Figure 4 & Figure 5**), with 414 soil samples and 12 rock chip samples collected and dispatched to SGS laboratories in Bamako.

The program was designed as a first-pass regional test of this highly prospective region, with the sampling grid spacing of 2,000m between lines and 250m between samples along lines.

Taruga has received initial results for the geochemical survey with a new zone of gold anomalism defined within the project area. The samples have returned numerous anomalous values up to a maximum of 195ppb gold (minimum below detection, approximately 37% of samples returned a value of 10ppb gold or higher). Interpretation of the gold anomalous zones indicates a correlation with interpreted geological structures and geological units. The major anomalous zone extends for over 8,000m of strike length and over 3,000m of width. This first pass survey has also defined additional parallel zones extending for over 8,000m and widths varying from 500m to 1,500m wide.

Follow-up and infill geochemical sampling of this high priority area will be conducted as soon as possible to define zones of interest for potential trenching and drilling campaigns.

The samples for the Dabakala sampling program have been dispatched to SGS Laboratories in Bamako and results will be reported as soon as received and interpreted.

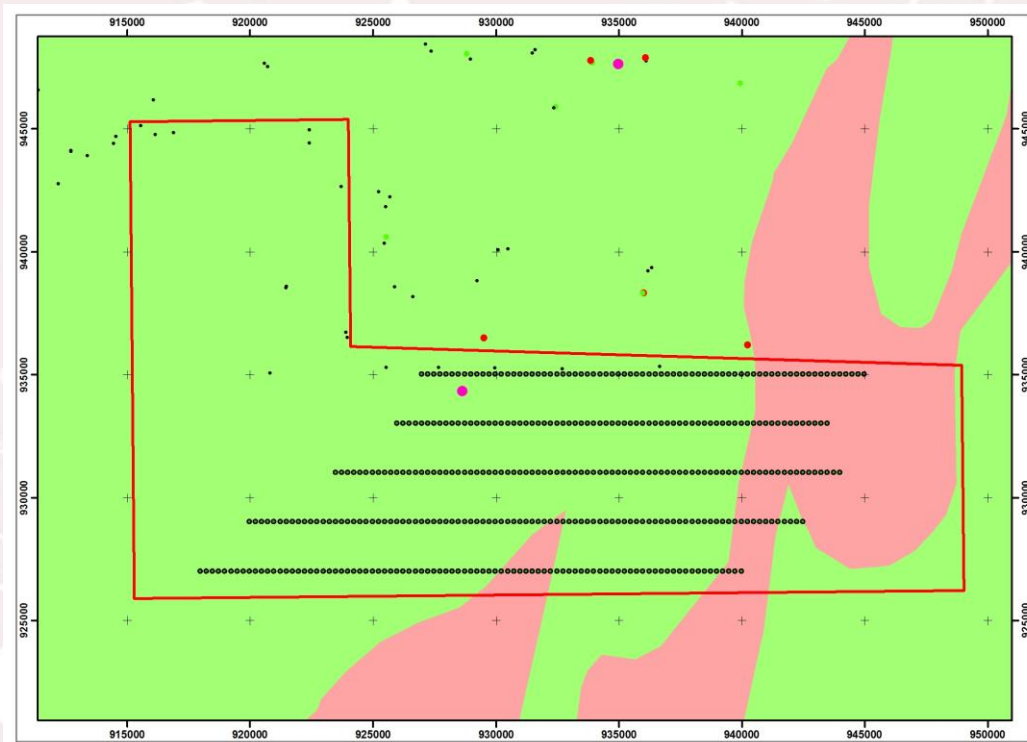


Figure 4 - Dabakala project - Regional Geochemical Sampling overlying Birimian Geology

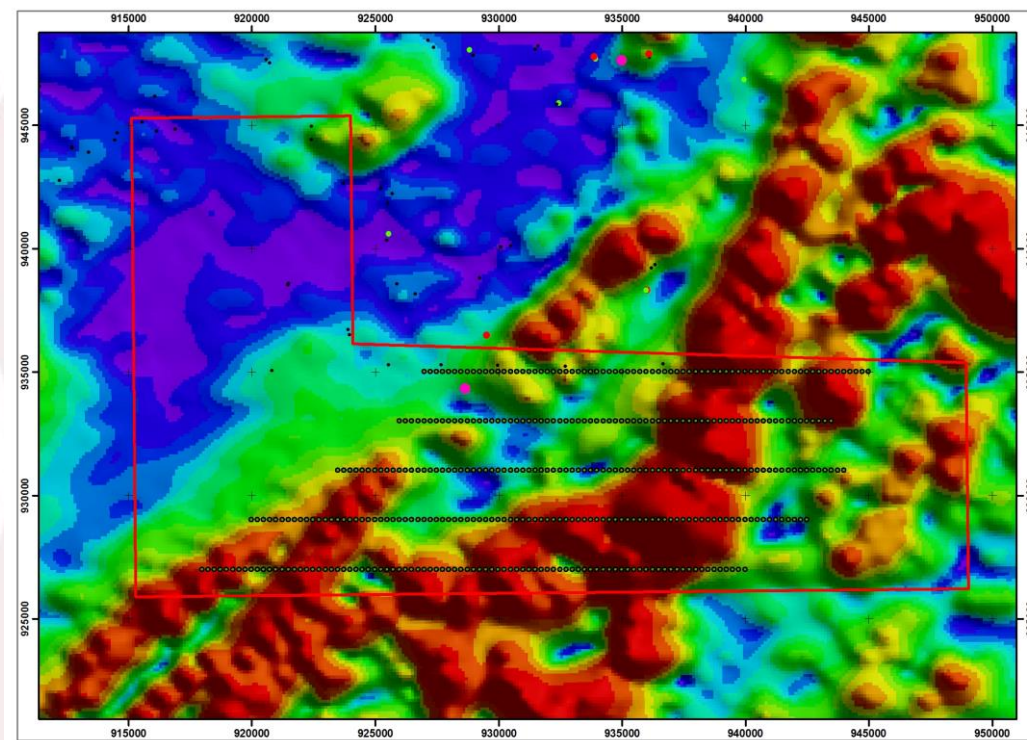


Figure 5 - Dabakala project - Regional Geochemical Sampling overlying aeromagnetics

Korhogo Concession

During the quarter, the geochemical sampling crews commenced sampling at the Korhogo concession located in north-central Cote d'Ivoire. The reconnaissance program at Korhogo is designed to test an interpreted "pressure shadow" located at the margin of a granitic intrusion and interpreted shear structures that has potential to focus fluid movement and the development of gold mineralisation. Field reconnaissance of the Korhogo area has identified priority areas for geochemical sampling including active areas of artisanal mining.

The Korhogo concession is located in the northern portion of Cote d'Ivoire and is a 360.6 km² concession with a three year term.

The concession is at an early stage of exploration and initial field reconnaissance has identified areas of significant artisanal workings and prospective geological structures and units. The program for initial geochemical sampling will target the northern portion of the concession where it is interpreted that a "pressure shadow" at the margin of a granitic intrusion may develop a favourable environment for gold mineralisation to focus. This area has identified artisanal workings, and on adjacent ground recent aircore drilling was completed by Perseus Mining Limited that returned highly anomalous results.

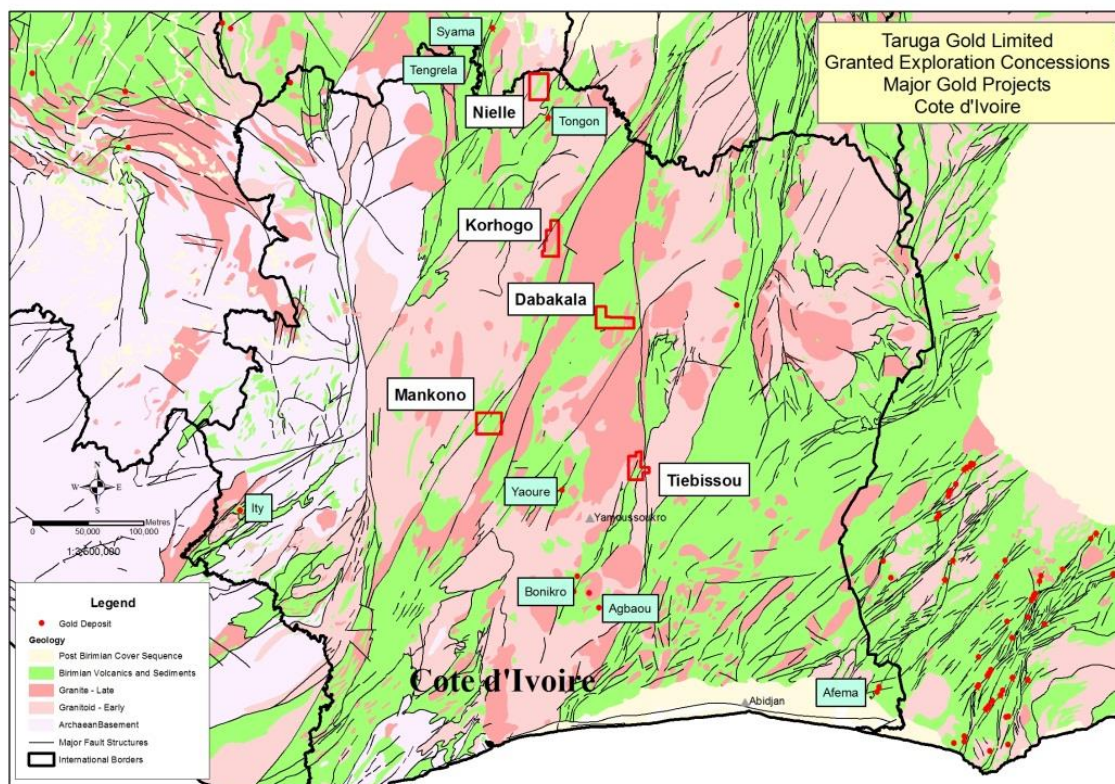


Figure 6 – Taruga Gold – Location map of Granted Concessions, Cote d'Ivoire

Tiebissou Concession

During the quarter, Taruga announced that it had been granted the **Tiebissou** concession in Cote d'Ivoire. Taruga is now the 100% owner of **FIVE** granted concessions within this highly prospective, yet very under-explored region of Birimian geology.

Taruga's extensive landholding in Cote d'Ivoire is approximately 2,000km² with all concessions located within known mineralised belts and situated close to major structural zones and previous discoveries (**Figure 6**).

The granting of Tiebissou continues the recent progression of the Targua strategy, which is to construct a world-class portfolio of West African assets that are highly prospective and capable of being quickly progressed.

The Tiebissou concession (306km²) was granted for an initial period of four years. The concession is located in central Cote d'Ivoire and is along strike from the Agbaou Gold Mine (Endeavour Mining Corporation) and the Bonikro Gold Mine (Newcrest Mining Limited). The exploration is at an early stage for the concession, however previous surface geochemistry has highlighted zones of geochemical anomalism that are a high-priority target for immediate exploration. It is noted that the surface geochemical anomalism continues to the north of the concession into ground held by Resolute Mining Limited, and recent reports¹ indicate Resolute have commenced infill soil sampling of the large gold and multi-element anomaly identified in 2009.

Taruga is planning to undertake an initial exploration program at Tiebissou to follow up on the known soil anomalism and artisanal workings, as part of its regional exploration work with Cote d'Ivoire.

About Cote d'Ivoire

Cote d'Ivoire released an updated Mining Code in 2014 and continues to develop legislation that offers incentives for mineral exploration and development of its mining industry. Cote d'Ivoire has approximately 35% of West Africa's Birimian sequence, while neighbouring Ghana has approximately 17% of the sequence. The Birimian Greenstone sequence of West Africa has a gold endowment of over 170 million ounces of gold, of which Ghana contains over 110million ounces.

Cote d'Ivoire is historically underexplored, however in recent years mining companies have enjoyed successful exploration results. The country now boasts several multi-million ounce gold deposits (including Amara Mining's 6Moz Yaoure deposit and Randgold resources 4.4Moz Tongon deposit), with four commercial scale mines in production.

¹ See Resolute Mining Limited Quarterly Report announced to ASX 20 October 2014



CORPORATE

Capital Raising

During the quarter, Taruga completed Tranche 2 of a placement to sophisticated and institutional investors to raise a total \$925,000 at an issue price of \$0.005 together with free attaching options (on a 1 for 4 basis) exercisable at \$0.02 on or before 1 December 2016.

Tranche 2 comprised 145,000,000 shares which were issued during the quarter pursuant to Shareholder approval.

Funds raised will be used to accelerate the ongoing exploration campaign in Mali and Cote d'Ivoire detailed earlier in the report.

Change of Share Registry

Subsequent to the quarter, the Company advised it had transferred its share registry to Security Transfer Registrars, effective from 12 January 2015. Please refer to the announcement of 5 January 2015 for further details.

For further information see the Company's website www.tarugagold.com.au or contact:

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About Taruga Gold

Taruga is a West African focused gold explorer that has compiled a diverse portfolio of exploration projects within the Birimian geology of West Africa. This region is at present one of the world's great gold districts and has had a significant rate of discovery and development of new gold mines over past decades.

Taruga has ~3,400km² of highly prospective tenements in Niger, Southern Mali and Cote d'Ivoire, all within similar geological settings as world-class goldmines. The Company's Kossa Project in Niger is 15km from the 5moz Essakane goldmine; in Mali, the Nangalasso project is 30km west of the 7moz Syama project.

Competent person's statement

The information in this Announcement that relates to exploration results is based on information compiled by Mr Bernard Aylward. Mr Aylward is the Managing Director of Taruga Gold Limited and is a full-time employee of the Company. Mr Aylward is a member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Aylward consents to the inclusion in the announcement of matters based on his information in the form and context it appears.

Annexure 1: Taruga Gold Limited – Granted tenements held directly by Taruga Gold or subsidiary company

Tenements	Acquired during quarter	Disposed of during quarter	Held at end of quarter	Country
Kossa 1			100%	Niger
Kossa 2			100%	Niger
Tiebissou	100%		100%	Cote d'Ivoire
Mankono			100%	Cote d'Ivoire
Korhogo			100%	Cote d'Ivoire
Dabakala			100%	Cote d'Ivoire
Nielle			100%	Cote d'Ivoire

Annexure 2: Taruga Gold Limited – Tenements held via option agreement by Taruga Gold or subsidiary company

Tenements	Acquired option agreement	Disposed of option agreement	Held at end of quarter	Country
Djelibani			100%	Mali
Djelibani Sud			100%	Mali
Kambali			100%	Mali
Balala			100%	Mali
Nangalasso			100%	Mali
Sotian			100%	Mali
Diendo Sud			100%	Mali
Diendia			100%	Mali
Manankoro Nord			100%	Mali
Diossyan Sud			100%	Mali